new investments. The policy is based on Import Parity Price (IPP) benchmark with suitable floor and ceiling prices aiming to revamp, expansion, revival of existing urea units and setting up of Greenfield projects. The policy aims to substantially bridge the gap between consumption and domestic production of urea in next five years subject to adequate availability of gas at reasonable prices. The country is almost fully dependent on imports to meet the requirements of phosphatic and potassic fertilizers. Government has taken initiatives to encourage indigenous production in P and K sector by allowing import parity price to the indigenous manufacturers of DAP. Government has also reduced the custom duty on phosphoric acid from 5% to 2% to enable indigenous manufacturers of P and K fertilizers to acquire this important input at reasonable price. Government is also encouraging private sector and public sector companies to explore the possibilities for joint ventures abroad to ensure uninterrupted supply of fertilizer inputs to P and K sector.

Potash market in India

†3699. SHRI RAVI SHANKAR PRASAD:
SHRI SHIVANAND TIWARI:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that India is a major buyer of potash in the international market;

(b) if so, the average annual share of India in the international market;

(c) whether it is also a fact that a variation upto 25 per cent in the prices of potash in the above market is being seen; and

(d) if so, the facts in this regard and the names of the big and small countries selling potash in the international market?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) Yes, Sir.

(b) Average annual share of India in the international market in the import of potash is 10-11%.

(c) and (d) India is one of the four largest consumers of potash in the world alongwith China, USA and Brazil. Indian entities are importing potash on requirement basis. Noticeable variations have been seen in the prices of Potash in international market during the last three years. The prices of potash imported in India during last three years are given below:

Year	Price (US $) PMT
2006-07	210.41
2007-08	252.00
2008-09	613.36
2009-10 (April to June)	615.00

†Original notice of the question was received in Hindi.

Agreements for supply of potash for the period July, 2009 to March, 2010 have been finalized by different Indian entities for US$ 460 per metric ton CFR India. Russia, Germany, Belarus, Canada, Jordan, Israel, United Kingdom and Spain are the countries which are selling potash in the international market.

Indigenous production of urea

3700. SHRI R.C. SINGH: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that in view of abundant production of gas in the country, particularly in KG Basin, our country can produce the required quantity of urea to meet the indigenous demand; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) and (b) The total requirement of natural gas for fertilizer sector has been projected at 95.448 MMSCMD by 2011-12, keeping in view the need for natural gas for all the expansion urea projects, revival projects and Greenfield urea plants in the country. It is expected that if sufficient gas as projected above is allocated to fertilizer sector, the country can not only produce the required quantity of urea to meet the indigenous demand but can also become a major exporter of urea in the world. Further, the availability of gas will need to be complemented with scheduled pipeline connectivity to the existing non-gas based urea units including closed urea units in the country.

Currently, the total availability of natural gas for fertilizer sector is 40.388 MMSCMD. Further, it has been decided that the demand emanating beyond 2008-09 from de-bottlenecking of and expansion of fertilizer plants, conversion of naphtha-based and fuel oil-based fertilizer plants, and revival of closed fertilizer plants would be given the highest priority at that stage and will be met from production in subsequent years.

Subsidy cut on fertilizers

3701. SHRI MOHD. ALI KHAN: Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether Government is going to cut subsidies on fertilizers which are used by the poor farmers;

(b) if so, the details worked out so far;

(c) how Government will protect the poor people like minorities who are unable to purchase it in the open market on such high rate; and

(d) why Government is failing to provide fertilizers at the rates affordable to the farmers in the current year?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI SRIKANT JENA): (a) At present, there is no such proposal.